



First quarter 2014 sales up 14% at constant scope and exchange rates

- Solid sales growth at constant scope and exchange rates across all five major geographical zones
- Favourable weather conditions in France and buoyant markets in Switzerland, the United States, West Africa and Turkey
- Ongoing ramp-up in India
- Renewed growth in Egypt



Paris La Défense, April 28, 2014: The Vicat group (NYSE Euronext Paris: FR0000031775 – VCT) has today reported sales for the three months ended March 31, 2014, which amounted to €536 million, an increase of 9.2% or 14.0% at constant scope and exchange rates.

Consolidated sales by business segment:

(€ million)	First quarter 2014	First quarter 2013	Change	
			Reported	At constant scope and exchange rates
Cement	275	256	+7.4%	+15.2%
Concrete & Aggregates	194	175	+11.0%	+13.3%
Other Products & Services	67	60	+11.4%	+11.4%
Total	536	491	+9.2%	+14.0%

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Commenting on these figures, the Group's CEO stated:

"Vicat achieved strong sales growth in the first quarter of 2014. Our businesses benefited from mild weather conditions in France and were able to capture positive momentum in the Swiss, US and Turkish construction sector. The return to growth in Egypt is a positive sign for our full-year performance, and we are continuing to ramp-up our business in India, although prices are likely to remain volatile.

The Group is still gradually reaping the benefits of its investments over the last few years, using its strong market positions to maximise cash flow and continue reducing debt."



In this press release, and unless indicated otherwise, all changes are stated on a consolidated, year-on-year basis (2014/2013), and at constant scope and exchange rates.

Consolidated sales in the first quarter of 2014 totalled €536 million, up 9.2% year-on-year. At constant scope and exchange rates, the increase was 14.0%.

Operational sales rose 13.9% (15.2% on a consolidated basis) in the Cement business and 12.2% (13.3% on a consolidated basis) in the Concrete & Aggregates business at constant scope and exchange rates. Sales in the Other Products & Services business were up 12.5% (11.4% on a consolidated basis).

The breakdown of first-quarter operational sales by business shows a slight decrease in the contribution of the Cement business to 52.9% of total operational sales, as opposed to 53.6% in the first quarter of 2013. The Concrete & Aggregates business accounted for 32.4% of the total, versus 32.0% in the year-earlier period. Other Products & Services accounted for a slightly larger share of operational sales, i.e. 14.7% as opposed to 14.4% in the first quarter of 2013.

Movements in the Group's sales in the first quarter of 2014 resulted mainly from:

- solid volume growth in France and Switzerland, where weather conditions were mild during the period,
- ongoing firm business momentum in Turkey, West Africa and the United States,
- renewed business growth in Egypt, due to an improvement in the security situation,
- the ongoing ramp-up in the Group's business in India.

These factors offset the decline in business levels in Kazakhstan, which suffered from weather conditions that were substantially worse than in 2013, and the ongoing decline in sales in Italy, where the economic and sector environment remains weak.

1. Geographical breakdown of consolidated sales in the first quarter of 2014

1.1. France

(€million)	First quarter 2014	First quarter 2013	Change	
			Reported	At constant scope
Consolidated sales	197	183	+7.6%	+6.6%

Consolidated sales in France rose by 6.6% at constant scope to €197 million in the first quarter of 2014. This solid growth was driven by firm growth in sales volumes, resulting from particularly mild weather conditions in early 2014.



By segment:

- **In the Cement business**, operational sales were up 5.2% (+8.1% on a consolidated basis). There was solid volume growth of over 6% in the first quarter, driven by mild weather conditions. The average selling price fell, mainly due to an adverse product-mix effect.
- **In Concrete & Aggregates**, operational sales rose by 5.6% at constant scope (+6.4% on a consolidated basis). This business also benefited from favourable weather conditions. Concrete volumes rose more than 6%, while aggregates volumes were up more than 17%.
- **In Other Products & Services**, consolidated sales grew by 4.6%, supported by mild weather conditions.

1.2. Europe (excluding France)

(€ million)	First quarter 2014	First quarter 2013	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	89	73	+22.2%	+21.4%

In **Switzerland**, first-quarter sales were driven by further strong growth in the construction market, the start of new infrastructure projects and favourable weather conditions. They totalled €85 million, representing solid year-on-year growth.

- *In Cement*, operational sales were up 13.0% (5.4% in consolidated terms) at constant scope and exchange rates, supported by solid growth in volumes. Selling prices were stable.
- *In Concrete & Aggregates*, operational sales were up 39.2% (40.5% in consolidated terms) at constant scope and exchange rates. As well as firm volume growth, this segment benefited even more than the Group's other businesses from mild weather conditions, the positive sector environment and the start of new infrastructure projects in the Group's catchment area. Ex-works selling prices were almost unchanged in both concrete and aggregates.
- *The Precast business* posted sales growth of +25.9% at constant scope and exchange rates, with sales volumes up 30% and particularly strong growth in sales to the rail sector.

In **Italy**, consolidated sales fell 17.6%, mainly due to a 19.2% fall in volumes, caused by ongoing tough conditions in the domestic market. Measures intended at stimulating the economy in general and the construction sector in particular have yet to have an impact. Against this background, and given the Group's selective commercial policy, selling prices rose slightly.



1.3. United States

(€million)	First quarter 2014	First quarter 2013	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	51	46	+9.5%	+12.8%

Business levels in the United States continued to recover, and the macroeconomic situation remained positive. In addition, the residential construction sector is seeing firm growth, supported by the gradual reduction in household mortgage debt levels. The Group's sales US rose 12.8% relative to the first quarter of 2013.

- **In Cement**, operational sales were up 13.9% (7.6% in consolidated terms) at constant scope and exchange rates. Volumes continued to rise, growing more than 3% despite the exceptionally harsh weather conditions that hit the Southeast in the first two months of 2014. Volumes grew almost 5% in California and were stable in the Southeast. Selling prices rose year-on-year, with a greater increase in the Southeast than in California, this prior to price increases expected to take place in April 2014.
- **In Concrete**, sales grew 14.9% at constant scope and exchange rates. Volumes rose more than 7% across the region as a whole. Again, performance varied widely between California and the Southeast, because of the particularly tough first-quarter weather conditions in the latter zone. Prices in each zone rose because of positive mix effects and price rises carried out in 2013, particularly in California. Further price rises are expected in April 2014.

1.4. Turkey, India and Kazakhstan

(€million)	First quarter 2014	First quarter 2013	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	101	101	-0.9%	+21.6%

In Turkey, consolidated sales amounted to €44 million, up 25.8% at constant scope and exchange rates. Strong Q1 performance was the result of weather conditions, which were equally mild as those seen in Q1 2013, and further growth in the construction sector.



- *In Cement*, operational sales grew strongly, rising 30.5% (43.3% in consolidated terms) at constant scope and exchange rates. Volume growth in the domestic market was much more moderate at 3.5%, but selling prices rose sharply.
- *In Concrete & Aggregates*, operational sales rose 5.9% (6.7% in consolidated terms) at constant scope and exchange rates. Volumes fell relative to Q1 2013, due to delays with some projects. However, selling prices continued to rise.

In India, consolidated sales totalled €47 million in the first quarter of 2014, up 27.2% at constant scope and exchange rates. Volumes rose 33.5% to almost 1.1m tonnes. Selling prices remained highly volatile because of current competitive and sector conditions, and fell by almost 6% in Q1 2014.

In Kazakhstan, consolidated sales fell 14.0% to €9 million. This decline was mainly caused by the high base for comparison arising from particularly mild weather conditions in the first quarter of 2013. Volumes fell almost 14% in Q1 2014, while prices were essentially stable.

1.5. Africa and Middle East

(€million)	First quarter 2014	First quarter 2013	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	98	87	+12.9%	+15.6%

In Egypt, consolidated sales amounted to €27 million, up +26.7% at constant scope and exchange rates. This growth resulted from a near-12% increase in volumes, driven mainly by an improved security situation in the North Sinai region. In addition, demand for cement was firm but supply was limited by the difficult conditions experienced by all operators in terms of access to energy and security. As a result, prices increased significantly in the first quarter of 2014.

In West Africa, revenue rose 11.6% due to solid volume growth (14%), with a good performance in the domestic Senegalese market and even stronger growth in export markets. This growth was supported by the initiation and continuation of major construction projects and demand for social housing, particularly in Senegal. However, prices fell relative to the first quarter of 2013.



2. First-quarter sales by business segment

2.1. Cement

(€ million)	First quarter 2014	First quarter 2013	Change	
			Reported	At constant scope and exchange rates
Volume (thousands of tonnes)	4,598	4,099	+12.2%	
Operational sales	325	304	+6.8%	+13.9%
Eliminations	(50)	(48)		
Consolidated sales	275	256	+7.4%	+15.2%

2.2. Concrete & Aggregates

(€ million)	First quarter 2014	First quarter 2013	Change	
			Reported	At constant scope and exchange rates
Concrete volumes (thousands of m ³)	1,888	1,798	+5.0%	
Aggregates volumes (thousands of tonnes)	5,154	4,728	+9.0%	
Operational sales	199	181	+9.8%	+12.2%
Eliminations	(5)	(6)		
Consolidated sales	194	175	+11.0%	+13.3%

2.3. Other Products & Services

(€ million)	First quarter 2014	First quarter 2013	Change	
			Reported	At constant scope and exchange rates
Operational sales	90	82	+10.1%	+12.5%
Eliminations	(23)	(22)		
Consolidated sales	67	60	+11.4%	+11.4%



3. Changes in the Group's consolidated financial position at March 31, 2014

Historically, the first quarter has not been representative of the Group's full-year financial performance.

Net debt equalled 54% of consolidated shareholders' equity at March 31, 2014 as opposed to 52% at March 31, 2013, confirming the strength of Vicat's balance sheet.

Given the level of the Group's net debt, bank covenants do not pose a threat either to the Group's financial position or to its balance sheet liquidity. At March 31, 2014, Vicat complied with all financial ratios required by covenants in financing agreements.

4. Outlook

For 2014, the Group wishes to make the following comments concerning its various markets:

- **In France**, the Group expects the sector environment to stabilise gradually in 2014, based on current low levels of consumption and a macroeconomic situation that is likely to improve very gradually. Volumes are expected to fall slightly and the price environment should remain marginally positive.
- **In Switzerland**, volume growth will be affected by the high base for comparison in 2013, when business levels were particularly strong, and prices are expected to be stable.
- **In Italy**, the macroeconomic situation is likely to remain weakened by the recent recession, and volumes are expected to fall again, although the pace of decline should gradually slow. Selling prices are likely to continue rising, based on initial signs of consolidation in the market and the Group's selective commercial policy.
- **In the United States**, volumes are expected to rise again, in line with the upturn in the broad US economy. The Group anticipates sharply higher selling prices from the second quarter of 2014.
- **In Turkey**, elections will be held in 2014, but performance should be supported by the ongoing positive sector situation, although macroeconomic conditions will be affected by exchange-rate volatility and higher interest rates. The Group expects performance to continue improving in Turkey, although at a slower pace than in the past.
- **In Egypt**, the situation remains unpredictable, but the gradual improvement in the security situation should enable the Group to resume growth in its business and improve its performance. The Group is confident about the positive performance of the Egyptian market in the medium and long term.
- **In West Africa**, the market should remain buoyant overall in terms of consumption. Price movements will depend on the potential arrival of a new competitor, among other factors. In the medium term, the Group remains confident in its ability to reap the full benefits from its modern production facilities, its knowledge of the Senegalese market and its ability to export throughout the region.
- **In India**, the market is likely to remain affected in the short term by weak infrastructure investment in the run-up to elections scheduled in the second quarter of 2014. As a result, prices will remain highly volatile and will probably see further pressure, before infrastructure and construction works gradually begin to recover during the second half of the year. On a medium- to long-term view, the Group remains very confident that it can take full advantage of its strong positions in the Indian market, which continues to show excellent potential.
- **In Kazakhstan**, the Group's ideal geographical location and highly effective production base should enable it to benefit fully from a market poised for solid growth in terms of both volumes and prices.



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4. Conference call

To accompany the publication of its sales for the first half of 2014, the Vicat group is organising a conference call that will be held in English on Tuesday, April 29, 2014 at 3pm Paris time (2pm London time and 9am New York time).

To take part in the conference call live, dial one of the following numbers:

France: +33 (0)1 76 77 22 21
United Kingdom: +44 (0)20 3427 1907
United States: +1 718 354 1157

To listen to a playback of the conference call, which will be available until 7pm on March 18, 2014, dial one of the following numbers:

France: +33 (0)1 74 20 28 00
United Kingdom: +44 (0)20 3427 0598
United States: +1 347 366 9565

Access code: **6386597#**

Next date for shareholders:

May 6, 2014 (10am): Annual General Meeting of Shareholders

Next publication:

August 4, 2014 (after the market closes) first-half 2014 sales and earnings

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ABOUT VICAT

The Vicat Group has **almost 7,700 employees** working in three core divisions, Cement, Concrete & Aggregates and Other Products & Services, which generated **consolidated sales of €2,286 million** in 2013.

The Group **operates in 11 countries**: France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan and India. Around 62% of its sales come from outside France.

The Vicat group is the heir to an industrial tradition dating back to 1817, when Louis Vicat invented artificial cement. Founded in 1853, the Vicat Group now operates **three core lines** of business: **Cement, Ready-Mixed Concrete** and **Aggregates**, as well as related activities.

Disclaimer:

This press release may contain forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets. These statements are by their nature subject to risks and uncertainties as described in the Company's annual report available on its website (www.vicat.fr). These statements do not reflect the future performance of the Company, which may differ significantly. The Company does not undertake to provide updates of these statements.

Further information about Vicat is available from its website (www.vicat.fr).